



Compressed Transcript of the Testimony of
SHAHIED AQUIL DAWAN, 5/16/17

Case: FEDERAL GRAND JURY

Summit Court Reporting, Inc.
Phone: 215.985.2400
Fax: 215.985.2420
Email: depo@summitreporting.com
Internet: www.summitreporting.com

UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

- - -

BEFORE THE FEDERAL GRAND JURY

- - -

Stenographic transcript of the
proceedings and evidence presented before the
Federal Corruption/Labor/Tax Grand Jury of
the United States District Court for the
Eastern District of Pennsylvania, at the
Robert N. C. Nix Federal Building, 900 Market
Street, 6th Floor, Room 2, Philadelphia,
Pennsylvania, on Tuesday, May 16, 2017,
commencing at 11:05 a.m., before Donna Bucci
Stein, Registered Professional Reporter and
Notary Public.

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TESTIMONY OF SHAHIED AQUIL DAWAN

- - -

APPEARANCES:

ERIC GIBSON, ESQUIRE
Assistant United States
Attorney

- - -

1 DONNA BUCCI STEIN, Registered
2 Professional Reporter, sworn.

3 - - -

4 SHAHIED AQUIL DAWAN, after
5 having affirmed, was examined and testified as
6 follows:

7 - - -

8 THE REPORTER: Will you state
9 and spell your name for the record, please?

10 THE WITNESS: Shahied,
11 S-H-A-H-I-E-D, Aquil, A-Q-U-I-L, last name
12 Dawan, D-A-W-A-N.

13 THE REPORTER: Thank you.

14 - - -

15 EXAMINATION

16 - - -

17 BY MR. GIBSON:

18 Q Good morning, sir.

19 A Good morning.

20 Q Thank you for coming down today.

21 You understand you were
22 subpoenaed to appear here before this Grand
23 Jury. Is that correct?

24 A Yes.

25 Q I understand that counsel accompanied

1 you here today. Is that correct?

2 A Yes.

3 Q Could you identify counsel for the
4 record, please?

5 A His name is Mu'min Islam.

6 Q Now, sir, you are employed by an entity
7 called Universal Companies. Is that correct?

8 A Technically Universal Community Homes.

9 Q What is your role at Universal Community
10 Homes?

11 A Chief Financial Officer.

12 Q We'll get to what the Chief Financial
13 Officer does in a moment. I just want to make
14 sure that we're clear. Mr. Islam represents
15 Universal Community Homes. Is that correct?

16 A My counsel?

17 Q Yes.

18 A Yes, he does.

19 Q So, as one of the officers of Universal
20 Community Homes Mr. Islam is here in his
21 capacity as a lawyer for the company
22 representing you. Is that correct?

23 A That's correct.

24 Q As opposed to representing you
25 personally outside of your business

1 relationship with Universal Community Homes?

2 A That's correct.

3 Q When you were subpoenaed to appear here
4 today there was a series of -- an Advice of
5 Rights Form attached to your subpoena. Do you
6 recall that?

7 A Yes.

8 Q Did you go over that with Mr. Islam?

9 A No, I didn't.

10 Q We discussed that a little bit earlier
11 this morning. Is that correct?

12 A Yes. I did read it.

13 Q I'm going to go over those rights with
14 you again right now to make sure we
15 understand. If there's any problem or any
16 question, you can talk to Mr. Islam at any
17 point in time. Okay?

18 A Yes.

19 Q Do you understand that you have an
20 obligation to tell the truth to this Grand
21 Jury? Obviously you took an oath to tell the
22 truth. Is that correct?

23 A Yes.

24 Q What that means is you cannot
25 affirmatively mislead this Grand Jury either

1 by direct testimony that's incorrect or by
2 withholding material facts. Do you understand
3 that?

4 A Yes.

5 Q If that were to happen, and I'm not
6 saying that it would, but if it were to
7 happen, that could result in an additional
8 investigation for obstruction of justice or
9 perjury or the like. Do you understand?

10 A Yes.

11 Q Having something that, every witness
12 that appears here before the Grand has a 5th
13 Amendment right against self-incrimination.
14 What that means is, if I ask you a question
15 and an honest answer to that question would
16 incriminate you personally, you could decline
17 to answer based on the 5th Amendment to the
18 United States Constitution. Do you understand
19 that?

20 A Yes.

21 Q That right is personal to you. What I
22 mean by that is, if I ask you a question an
23 honest answer to which would tend to
24 incriminate anybody else but not you, sir, the
25 5th Amendment is not a vehicle to decline to

1 answer the question. Do you understand that?

2 A Yes.

3 Q You also have a right to representation
4 in these proceedings. As we've discussed,
5 there's a lawyer here with you today. Is that
6 correct?

7 A Yes.

8 Q If at any point in time you wish to
9 consult with counsel regarding any of the
10 questions that are put to you before this
11 Grand Jury you may do so. Do you understand
12 that?

13 A Yes.

14 Q You just need to let me know because
15 otherwise we won't know to take a break.
16 Okay?

17 A Sure.

18 Q Do you understand everything that I've
19 said so far?

20 A Yes.

21 Q Do you have any questions about that?

22 A No, I don't.

23 Q Now, please tell us, what exactly does
24 the Chief Financial Officer for Universal
25 Community Homes do? Can you just kind of give

1 us a thumbnail idea of what your
2 responsibilities are?

3 A I manage the financial operations of the
4 company. I handle -- all of the accounting
5 operations report to me, such as payroll;
6 accounts payable; audits; all aspects of the
7 financial operations.

8 Q In connection with that is it safe to
9 assume -- well, let me ask it this way
10 actually. Universal Community Homes for
11 accounting purposes uses a software program
12 called QuickBooks. Is that correct?

13 A Yes.

14 Q In connection with your responsibilities
15 as CFO, am I correct that you are familiar
16 with the QuickBooks program?

17 A Yes.

18 Q You recognize data going in, data coming
19 out, how to use the program, and so forth. Is
20 that fair to say?

21 A Yes.

22 Q Now, you're the CFO. Is there a Chief
23 Operating Officer?

24 A Not at this time.

25 Q Was there a Chief Operating Officer?

1 A Periodically they come and go.

2 Q Let's talk about how Universal is
3 organized then. Who's in charge?

4 A At the top is the Chief Executive
5 Officer.

6 Q Who is the Chief Executive Officer?

7 A Abdur-Rahim Islam.

8 Q Would you mind being so kind as to spell
9 Mr. Adbur-Rahim Islam's name for our
10 stenographer, please?

11 A A-B-D-U-R hyphen R-A-H-I-M, last name
12 I-S-L-A-M.

13 Q Mr. Islam, the CEO, is not related to
14 Mr. Islam, counsel here, for --

15 A Yes, he is.

16 Q He is?

17 A Yes.

18 Q How are they related?

19 A Rahim Islam is his father.

20 Q Oh, okay. You said there has been a COO
21 from time to time. When was the last time you
22 had a COO?

23 A About a year ago.

24 Q Who was that?

25 A George Borrell.

1 Q How long was Mr. Borrell Chief Operating
2 Officer?

3 A I believe about two years.

4 Q So, if he left last year in 2016 we're
5 talking about calendar year 2014, 2015. Does
6 that sound about right?

7 A I believe so.

8 Q Now, Mr. Borrell, he was formally a City
9 Councilman here in the City, wasn't he?

10 A Correct.

11 Q He also ran for Mayor at one point in
12 time I believe?

13 A I believe so.

14 Q The position has been vacant since Mr.
15 Borrell left. Is that right?

16 A That's correct.

17 Q Are there any other officers that we
18 haven't spoken about?

19 A Not in Universal Community Homes at that
20 level.

21 Q Now, Universal Community Homes, that
22 comes under the umbrella of Universal
23 Companies. Is that correct?

24 A Universal Companies is more of a
25 trademark moniker. So, when you say Universal

1 Companies, it can be any -- it's not an
2 operating company. So, it could be any entity
3 that is a Universal Company.

4 Q So, how would you characterize Community
5 Home's relationship to Universal Companies?
6 Is it a subsidiary?

7 A It's not a subsidiary. It's a
8 stand-alone corporation. I would say it's not
9 technically the corporation. There aren't any
10 real subsidiaries, but it would be -- it was
11 the first corporation.

12 Q Okay. Universal Companies, does it
13 share any leadership with Universal Community
14 Homes? In other words, is Mr. Abdur Islam in
15 a position of leadership in Universal
16 Companies like he is in Universal Community
17 Homes?

18 A Universal Companies has no -- it doesn't
19 have any operations. It's just a trademark
20 symbol. It's a trademark name. So, when
21 people say Universal Companies, they may be
22 referring to Universal Community Homes because
23 technically Universal Companies is not an
24 operating entity. Are you following me on
25 that?

1 Q I think so. So, Universal Companies
2 doesn't have a payroll. Is that right?

3 A Right. It doesn't have any operations.

4 Q So, it also doesn't sign contracts with
5 anybody?

6 A That's correct.

7 Q But Universal Community Homes does. Is
8 that right?

9 A Yes.

10 Q So, what does Universal Community Homes
11 do? How would you describe --

12 A Universal Community Homes is a
13 comprehensive community development
14 corporation. We develop real estate. We
15 manage education and social services.

16 Q So, let me just go back to Universal
17 Companies just for one second. Does Universal
18 Companies have a founder? Is there somebody
19 responsible for creating that trademark name?

20 A Universal Community Homes created it.

21 Q Universal Community Homes created
22 Universal Companies?

23 A Correct.

24 Q I see. What was the purpose of
25 Universal Community Homes creating Universal

1 Companies? What need did that fill?

2 A It's a trademark. When you see our
3 logo, you'll see it's a U C that's the logo.
4 So, it's like you trademark a logo.

5 Q There are also a number of charter
6 schools and educational entities associated
7 with the Universal name. Is that correct?

8 A That's correct.

9 Q Should I understand Universal Education
10 Companies to be an umbrella organization for
11 the individual charter schools or how would
12 you characterize that?

13 A Universal Education Companies is another
14 corporation. That corporation has contracts
15 with the charter schools to manage the charter
16 schools. So it's charter school is its own
17 separate corporation.

18 Q If I'm understanding you correctly, each
19 charter school then hires Universal Education
20 Companies to provide certain support. Is that
21 correct?

22 A Correct.

23 Q What kind of support are we talking
24 about?

25 A Education support and back-office

1 support. When I say back-office support, you
2 have HR; facilities and management;
3 technologies management; of course accounting
4 management. So, anything -- payroll; anything
5 that you need to operation a business.

6 Q Sort of like on the administrative end?
7 Is that what I'm hearing?

8 A Yes.

9 Q Management; that sort of thing?

10 A You have education management which is
11 all of the academic management, plus all of
12 the back-office operations.

13 Q So, if I were looking at Universal
14 Bluford Charter School, for example, the
15 management at that charter school I would
16 expect to be provided by Universal Education
17 Companies?

18 A There is a principal there and assistant
19 principals.

20 Q Forgive me. Management was
21 inarticulate. Administrative support like the
22 things we were talking about before?

23 A Yes.

24 Q Who does the hiring for the charter
25 schools? Is that Universal Education

1 Companies or is that the individual charter
2 schools?

3 A The individual charter schools.

4 Q We already talked about Bluford. That's
5 one. Is that correct?

6 A Yes. That's correct.

7 Q Then there's a Universal Audenried
8 Charter School. Is that right?

9 A Yes.

10 Q And a Universal Daroff?

11 A Yes.

12 Q D-A-R-O-F-F, and if I could spell
13 Audenried it's A-U-D-E-N-R-I-E-D.

14 There's also a Universal
15 Creighton Charter School. Is that right?

16 A Creighton, yes.

17 Q C-R-E-I-G-H-T-O-N. Is that correct?

18 A That's correct.

19 Q Is there a Universal Alcorn,
20 A-L-C-O-R-N, Charter School?

21 A That's correct.

22 Q And a Universal Institute Charter
23 School. Is that right?

24 A That's correct.

25 Q And Universal Vare Charter School?

1 A That's correct.

2 Q V-A-R-E. There's also one in
3 Milwaukee. Is that right?

4 A There was. We closed that one.

5 Q What was the entity that was in
6 Milwaukee that's since been closed?

7 A Universal Academy for the College Bound.

8 Q Academy for the College Bound?

9 A Yes.

10 Q Is there overlap between the leadership
11 of Universal Education Companies and Universal
12 Community Homes? For example, are you the CFO
13 for Universal Education Companies as well?

14 A Yes.

15 Q Who is the CEO for Universal Education
16 Companies?

17 A Abdur-Rahim Islam.

18 Q Was Mr. Borrell for a period of time
19 also Chief Operating Officer of Universal
20 Education Companies as well?

21 A No.

22 Q No relationship between Mr. Borrell and
23 the education aspect?

24 A No. No.

25 Q Who created Universal Education

1 Companies? Was that Mr. Islam?

2 A Universal Community Homes.

3 Q Under the leadership of Mr. Islam. Is
4 that correct?

5 A That's correct.

6 Q Who as Chief Financial Officer do you
7 report to directly, sir?

8 A To Mr. Islam.

9 Q How long has Mr. Islam been affiliated
10 with Universal Community Homes?

11 A Twenty-four years.

12 Q Just so we understand the kind of
13 timeline here, about when did Universal
14 Education Companies come into being on that
15 timeline. If Universal Community Homes has
16 been around for twenty-four years how long has
17 Universal Education been around?

18 A Around 2002.

19 Q Let's focus on Community Homes for a
20 second. Remind me, how did you characterize
21 what Universal Community Homes does?

22 A It's a community development
23 corporation. We manage education, we develop
24 real estate -- affordable real estate in the
25 market of real estate, and we provide social

1 services.

2 Q So, the community development piece,
3 that's connected to the real estate. Is that
4 right?

5 A Well, community development is when you
6 want to improve a neighborhood. So, when
7 you're looking at the systems in a
8 neighborhood, you're looking at the economics
9 in the neighborhood; how many business are
10 there. You're looking at the level of
11 education. You're looking at the level of
12 health. So, it's all of the things that a
13 vibrant community should have and you put
14 together different projects to improve the
15 community.

16 Q Does that involve the acquisition of
17 real estate? Does Universal Community Homes
18 actually purchase real estate?

19 A Absolutely.

20 Q Universal Community Homes, is that a
21 profit or nonprofit?

22 A Nonprofit.

23 Q Does Community Homes have any
24 partnerships with respect to community
25 development? Are there any entities that

1 Community Homes regularly deals with in this
2 process?

3 A Yes. We will partner with other
4 entities to do developments.

5 Q Have you ever heard of an individual
6 named Carl Dranoff?

7 A Yes.

8 Q How do you know Mr. Dranoff?

9 A He has been a person that we've partner
10 with his company to do developments.

11 Q What kind of developments, sir?

12 A Carl does mostly larger developments;
13 so, larger housing developments.

14 Q When I hear housing, are you talking
15 about, say, an apartment building versus, say,
16 single family homes?

17 A Apartment buildings, yes.

18 Q How about Ori Feibush?

19 A Yes.

20 Q Have you dealt with him? Has Universal
21 partnered with him? What's the relationship,
22 if any, with Mr. Feibush?

23 A To date we haven't had a formal
24 partnership with him.

25 Q Have you consulted with Mr. Feibush over

1 any projects in terms of acquisition of any --

2 A No. I don't believe so, no.

3 Q How about Penrose Social Services?

4 A Penrose Properties.

5 Q Or Independent Partnership?

6 A Penrose Properties.

7 Q What's Penrose Properties?

8 A Penrose Properties is a -- they're a
9 rather large development firm. We've done
10 many projects with them.

11 Q Can you give me an example, just kind of
12 a thumbnail --

13 A If you look east of Broad Street which
14 was the MLK -- it used to be called MLK
15 Projects but now it's called Hawthorne
16 Development. We imploded the towers there.
17 If you look at the Schuylkill Falls Project,
18 it used to be called East Falls Projects. We
19 have done a lot of projects with him.

20 Q Are you familiar with a property called
21 the Royal Theater?

22 A Yes, sir.

23 Q How did you become aware or what was
24 your first -- how did it come across your
25 radar? Let's ask it that way.

1 A The Royal Theater is a property on the
2 1500-block of South Street. It was offered to
3 us by the Preservation Alliance back in the
4 year 2000, as we tried to improve the
5 neighborhood there.

6 Q What does that mean, it was offered to
7 you? Did you purchase it?

8 A Yes, we did. They offered it to us
9 because they could not develop it into -- they
10 could not develop it.

11 Q How much did Universal pay for the
12 property?

13 A Around \$300,000.

14 Q The goal was to have Universal develop
15 that location?

16 A Well, yes. We saw it as part of the
17 redevelopment of South Street from Broad
18 Street to 16th Street. We had a master plan
19 for development of an entertainment area
20 there. Of course since it's our mission to
21 include the community through economics, we
22 saw it as a way to develop jobs and develop
23 businesses where people could be employed.
24 So, it was part of our long-term strategy.

25 Q How did Universal finance the purchase

1 of the Royal Theater?

2 A I believe it was through a grant from
3 the Commerce Department.

4 Q A grant from the federal Commerce
5 Department?

6 A No, the City of Philadelphia.

7 Q The City of Philadelphia Commerce
8 Department?

9 A Yes.

10 Q Did the City of Philadelphia Commerce
11 Department provide the entire \$300,000 for the
12 purchase?

13 A I believe they did.

14 Q They did. Okay. So, Universal applied
15 for a grant to the city, the city gave them
16 the grant, Universal then turned around and
17 used the grant money to purchase the Royal
18 Theater?

19 A That's correct.

20 Q About when was the purchase of the Royal
21 Theater by Universal?

22 A 2000.

23 Q The Universal -- excuse me. The Royal
24 Theater, that's considered a historic
25 property, isn't it?

1 A That's correct.

2 Q Was Universal given any additional
3 funding over the years from the city or any
4 other government entity to maintain or restore
5 the theater?

6 A I think we did receive a small \$50,000
7 grant for maintenance from the state.

8 Q Do you recall about when that was
9 approximately?

10 A Maybe around 2008; something like that.

11 Q Now, at the time that Universal acquired
12 the property it was not in operation.
13 Correct?

14 A That's correct.

15 Q In fact, does Universal still hold that
16 property?

17 A No, we do not.

18 Q Am I correct that during the entire life
19 of Universal's ownership of that property it
20 remained vacant or inactive?

21 A That's correct.

22 Q When did Universal -- did Universal sell
23 the property?

24 A Yes, we did.

25 Q When did that happen?

1 A Last year.

2 Q 2016?

3 A Yes.

4 Q So, it was acquired in 2000 and sold in
5 2016. Is that correct?

6 A Yes.

7 Q When Universal acquired the property do
8 you recall -- describe that neighborhood for
9 us. Is that a residential neighborhood?

10 A On South Street it's commercial retail
11 on South Street. Of course the neighborhood
12 was in very bad condition with a lot of vacant
13 properties all over the place, even on South
14 Street and throughout the community. There
15 were a lot of vacancies there.

16 Q In order to obtain the public finding
17 for the purchase of the theater were there any
18 restrictions placed on what you could do with
19 the property?

20 A Only the historic restriction for the
21 facade.

22 Q Give us an idea of what that means.

23 A So, you have a building. It goes from
24 street to street straight through and just the
25 front facade three feet could not be changed.

1 So, that was the historic designation. So, no
2 matter what you did with the rest of the
3 building, the front could not be changed.

4 Q Was there some sort of development plan
5 that Universal had in place when you
6 originally acquired the property?

7 A Only this initial thought of turning it
8 into some kind of entertainment district from
9 Broad Street to 16th. That began our journey
10 on trying to come up with a feasible use for
11 the property over the years.

12 Q Any of the plans that Universal put in
13 place to develop that property, were any of
14 them successful?

15 A None of them were economically
16 feasible. We spent a tremendous amount of
17 money over the years looking at different
18 types of plans, from a dinner theater to a
19 mixed use of residential and commercial;
20 turning it back into a movie theater; a
21 playhouse. There were many, many plans.

22 Q Do you know what Act 135 is, sir?

23 A Yes.

24 Q Can you describe that for us? What is
25 that?

1 A Act 135 is when somebody that has close
2 proximity to a vacant property can file to
3 obtain the property and put it in use. They
4 file a claim in court.

5 Q Was there such a claim filed in about
6 May of 2013 regarding the Royal Theater?

7 A Yes.

8 Q Do you know who did that?

9 A A neighbor by the name of Juan Levy.

10 Q Would you mind spelling his name for us,
11 please?

12 A J-U-A-N, L-E-V-Y.

13 Q As a result of that, if Mr. Levy's
14 filing was successful, Universal would lose
15 the property. Correct?

16 A We would have lost our right to develop
17 the property. There are some technical --
18 legal technical issues with that. Even if the
19 person is successful, they still have to
20 compensate the owner. So, it's not like they
21 just take the property. There's still some
22 compensation rights for the owner.

23 Q As opposed to Universal negotiating some
24 sale, this is going to be one that's imposed
25 on Universal. Is that correct?

1 A That's correct.

2 Q The amount of compensation is not going
3 to be determined by Universal. It's going to
4 be determined in another form. Is that
5 correct?

6 A Yes.

7 Q So, it's safe to say that's not
8 something Universal was happy about. Is that
9 correct?

10 A That's correct.

11 Q Of course. I mean you have the property
12 and you want to develop it and somebody is
13 trying to take responsibility for that. Is
14 that right?

15 A That's correct. We had spent over a
16 million dollars on maintenance and upkeep on
17 the property for all those years.

18 Q Universal spent over a million dollars
19 for upkeep and maintenance?

20 A I believe that's the number. It's
21 something like that.

22 Q What kind of maintenance was being put
23 into the property?

24 A New roofing; a new downspouting system.
25 It's constant repairs: new sidewalks; snow

1 removal; vegetation removal. It was
2 constant. It was nonstop. It's a very large
3 building and we had to keep it safe.

4 Q While Universal had the property it was
5 taking care of all of those things. Is that
6 correct?

7 A Yes, insurance; taxes.

8 Q Did Mr. Dranoff come to be involved in
9 the Royal Theater at all?

10 A Yes.

11 Q How did that happen?

12 A We came to a stumbling block with
13 getting the approval for renovation of the
14 historic property. So, we had to get the
15 Historic Commission to approve our plans for
16 renovations. We came to a stumbling block.
17 The State had awarded us \$2.2 million to
18 assist in renovations and we were stuck.

19 Q So, Mr. Dranoff was brought in for what
20 purpose?

21 A To provide advice on development of the
22 property.

23 Q Was Universal able to fend off Act 135?

24 A Eventually, yes.

25 Q How did that happen?

1 A We hired an attorney.

2 Q Was Mr. Dranoff's plans for the property
3 in any way involved in fending off Act 135?

4 A I believe so, his involvement, yes.

5 Q Now, you indicated already that at some
6 point Universal sold the property. Is that
7 correct?

8 A Yes, we did.

9 Q Was there a zoning issue that impacted
10 your ability to sell the property at any point
11 in time?

12 A No. Not that I believe, no; not that I
13 remember.

14 Q Had Universal ever sought to rezone the
15 Royal Theater?

16 A As long as it was going to be a
17 commercial entertainment type venue we did not
18 need zoning. When we changed our development
19 plan to mixed use, it needed zoning. When I
20 say mixed use, doing some residential housing
21 and keeping the commercial area.

22 Q Who is Mr. Kenyatta Johnson, sir?

23 A Councilman Johnson?

24 Q Yes.

25 A He's our City Councilperson.

1 Q Just pretend for a moment that these
2 folks aren't all from Philadelphia and tell us
3 who Mr. Johnson is.

4 A He's our Councilperson.

5 Q How long has Mr. Johnson been your
6 Councilperson?

7 A As long as he has been in office. I
8 don't know how long it's been.

9 Q When you say you, are you talking about
10 you live in his particular area or Universal
11 is located in his area?

12 A Universal is located in his district,
13 yes.

14 Q Are you familiar with Mr. Johnson's
15 wife?

16 A Yes.

17 Q Who is Mr. Johnson married to?

18 A Dawn Chavous.

19 Q That's C-H-A-V-O-U-S. Is that right?

20 A I believe so.

21 Q Did Ms. Chavous at any point in time
22 ever have a relationship with Universal?

23 A Yes.

24 Q How did she come to have a relationship
25 with Universal?

1 A I believe that our CEO, Rahim, had
2 recruited her to support our education effort,
3 our fund development for education.

4 Q An education effort?

5 A Yes.

6 Q On the charter school side. Is that
7 correct?

8 A Correct.

9 Q Am I right at some point in time it was
10 Mr. Feibush who attempted to get a
11 conservatorship over the Royal Theater? Is
12 that right?

13 A From what I understand from the legal
14 documents, he never formally filed for the Act
15 135. It was only Mr. Levy.

16 Q It was only Mr. Levy?

17 A Yes.

18 Q You indicated that -- we talked about a
19 \$50,000 grant being obtained by Universal for
20 work on the Royal Theater. Is that right?

21 A Yes.

22 Q That was about 2013. Is that right?

23 A I believe it was around 2008.

24 Q 2008?

25 A Yes.

1 Q Wasn't there a restrictive covenant that
2 the building had to be preserved for fifteen
3 years consistent with the historical nature of
4 the property?

5 A As long as you comply with the
6 historical side portion of it I believe that
7 was the only real restrictions. Everything
8 else could be waived upon a request.

9 Q A request of the commission that gave
10 you the grant?

11 A A fund requesting their permission.

12 Q So, if you wanted to do any kind of
13 construction, alteration, rehabilitation,
14 remodeling you would have to go to the
15 Pennsylvania Historical Museum Commission to
16 get their permission to do whatever you
17 envisioned for the property. Is that correct?

18 A That's correct.

19 Q Do you happen to know whether or not Mr.
20 Abdur-Rahim Islam made any political
21 contributions to Mr. Johnson's campaign?

22 A I wouldn't know.

23 Q You wouldn't know?

24 A No.

25 Q Did you make any contributions to Mr.

1 Johnson?

2 A Yes.

3 Q How many times?

4 A Actually, I don't remember.

5 Q More than once?

6 A Probably a couple of times.

7 Q Do you recall about how much?

8 A No, I don't.

9 Q When did Ms. Chavous start consulting
10 for Universal Community Homes?

11 A That was in, I believe, the spring of
12 2013.

13 Q At the time that Ms. Chavous began
14 consulting on the educational side of
15 Universal is it fair to say that Universal was
16 still trying to develop the Royal Theater
17 around that point in time, 2013?

18 A Yes.

19 Q If you don't mind I'm going to approach
20 you, sir, and I'm going to hand you some of
21 the documents that we talked about earlier.
22 Now, what's been marked as Universal Number 1,
23 which is the front page of that document
24 there, that's a spreadsheet generated by
25 QuickBooks, is that correct, out of the

1 records you provide us?

2 A It appears to be, yes.

3 Q In particular what is Royal Property
4 Sales? What does that reflect in your
5 QuickBooks?

6 A The sale of the Royal property.

7 Q The Royal Theater?

8 A The Royal Theater, yes.

9 Q So, for example, Dranoff Properties, the
10 third entry in here, 9/27/2016, do you see
11 that at the top?

12 A Yes.

13 Q Mr. Dranoff's firm received \$731,000 and
14 change from Universal for its work on the
15 Royal Theater. Is that right?

16 A That's correct.

17 Q What did Universal get for this \$731,000
18 sent to Mr. Dranoff?

19 A Well, from the time they became involved
20 in 2013 through the time that we decided that
21 we were going to sell the property we had the
22 leadership of his firm helping us getting
23 through city planning; get us through the
24 Historical Commission. It got us through all
25 of the aspects of getting ready to build a

1 project. It's architectural. It's
2 everything.

3 Q I see. Correct me if I'm wrong, but if
4 someone needs to have zoning changes made to
5 accommodate to a particular development plan
6 there are basically two ways to do that with
7 the City. The first is, you go to the Zoning
8 Board of Adjustment. Is that right? You get
9 a zoning variance for a specific property with
10 the Zoning Board?

11 A In the short version, I will say yes to
12 that part it.

13 Q Okay. Please explain it to me.

14 A Before you get there you have to go to
15 the Registered Community Organization, RCO,
16 which can take quite a while to get through.
17 So, that's the first step. If you're able to
18 get through that process, then you can move on
19 to your number one, which is getting to the
20 Zoning Board.

21 Q That's one way to do it, right, you go
22 to the Zoning Board?

23 A That's correct.

24 Q The other way is City Council could
25 introduce a bill and change the zoning for a

1 particular area in the city at the City
2 Council level. Is that right?

3 A Correct, but you still can't jump over
4 the first part of it. So, on either one of
5 your options you still have to do the up-front
6 work.

7 Q But I am right, am I not, that either
8 the Zoning Board can make the change or City
9 Council can make the change after you've done
10 the ground work for your plan. Correct?

11 A Correct.

12 Q City Council does need the approval of
13 the Zoning Board to, kind of, trump the Zoning
14 Board. Is that fair to say?

15 A I don't know the technical aspects of it
16 like that. I just know there are two ways you
17 can get zoning.

18 Q Am I correct that Mr. Johnson was on
19 City Council certainly in 2014 when Universal
20 was interested in having some zoning variances
21 made for the Universal theater? Is that
22 correct?

23 A Yes.

24 Q At the same time Ms. Chavous was working
25 for Universal as a consultant. Is that

1 correct?

2 A Yes.

3 Q So, if you could flip over to the next
4 document, this is Universal 2. I just want
5 you to identify that for us. This is the
6 Settlement Statement for Universal's purchase
7 of the Royal Theater. Is that right?

8 A Yes. You mean for the sale?

9 Q For the sale.

10 A Yes.

11 Q This is a document you provided to us
12 pursuant to our subpoena. Is that right?

13 A Yes.

14 Q If you could go to Universal 3, which is
15 the next document, this is an Agreement for
16 Performance of Consulting Services for Ms.
17 Chavous' consulting firm. Is that right?

18 A Yes.

19 Q Take your time. I'm not going to go too
20 fast.

21 A It's okay.

22 Q This is dated -- obviously there was a
23 typewritten date effective April 19th but that
24 was changed to May 1st. This was executed by
25 you at the back page on 6/10/2013. Is that

1 right?

2 A Yes.

3 Q So, this is the copy that Universal had
4 that you would send out presumably to Ms.
5 Chavous. So, when we asked you for documents
6 this is what came back to us.

7 A Okay.

8 Q Okay?

9 A Yes.

10 Q When you say Ms. Chavous was consulting
11 on the education side, what exactly was she
12 doing?

13 A Well, in the environment at that time
14 there were people that were pro charter and
15 anti charter. So, the people that were pro
16 charter were supporting charters by providing
17 grants or they would provide -- when I said
18 grants, they would provide you with
19 donations. In this pro charter versus not pro
20 charter you have to stay out there and keep
21 pushing your agenda. So, she was in those
22 circles, and we needed someone to do this kind
23 of P.R. work for us. That's what she does.
24 That was her area of expertise from what we
25 understood.

1 Q Who did Ms. Chavous report to at
2 Universal?

3 A To Rahim.

4 Q Is that typical? Does he supervise all
5 of the consultants that work at Universal?

6 A Not all of them, but someone at this
7 level, yes.

8 Q This level meaning what exactly?

9 A As the CEO his job is to do external
10 relations with people. So, that's what she's
11 doing: public relations. She's not dealing
12 with the internal operations, things like I
13 do. So, it's not unusual for someone like
14 this to be doing this type of work.

15 Q Sir, if you could, flip over to
16 Universal 5 for a second. I will come back to
17 4 in a moment. This is a check from Universal
18 Community Homes for Ms. Chavous' consulting
19 firm. Is that right?

20 A Yes.

21 Q For \$13,500 dated August 2, 2013. Is
22 that correct?

23 A Yes.

24 Q As CFO you can identify this as being
25 drawn on Universal's account. Is that right?

1 A That's correct.

2 Q Who is the signatory on the Universal
3 Community Homes --

4 A The top line is myself. The second line
5 is Rahim.

6 Q Whose signature do we see on this
7 particular check?

8 A The top line?

9 Q This right here. Whose signature is
10 this right here? (Indicating.)

11 A That's mine.

12 Q That's yours?

13 A Yes.

14 Q If we go over to Universal 6 this is
15 another check in October of 2013 for \$4,500.

16 Is that right?

17 A Yes.

18 Q Signed by you again. Is that correct?

19 A That's correct.

20 Q Again to Chavous Consulting?

21 A Yes.

22 Q And then Universal 7 is another check,
23 this one for \$18,000?

24 A Yes.

25 Q To Chavous Consulting, January 2, 2014?

1 A Yes.

2 Q And May 12, 2014 is the next one.

3 That's Universal 8 and that's \$13,500. Do you
4 see that?

5 A Yes.

6 Q Am I correct that's your signature,
7 also?

8 A Yes.

9 Q The last check -- let's look at
10 Universal 9. That's October 2014 for
11 \$17,250. Is that right?

12 A That's right.

13 Q Again signed by you, sir. Is that
14 right?

15 A That's right.

16 Q Now, if we can go back to 4, it's a
17 spreadsheet derived from your QuickBooks. The
18 checks we just looked at total \$66,750 over
19 the five payments there?

20 A Yes.

21 Q That first check to Ms. Chavous --
22 strike that. I want to look at the second
23 check, Universal 6, dated October 8th of
24 2013. Do you see that?

25 A Yes.

1 Q Forgive me. It's Universal 9, the last
2 check for \$17,250. Were you aware of whether
3 or not any legislation was introduced in City
4 Council regarding the zoning for the Royal
5 Theater in October to 2014?

6 A I don't recall the date, but I know we
7 were -- are you talking about the zoning
8 legislation?

9 Q Yes, sir.

10 A I don't recall the date, but if you're
11 saying October, then it was about that time.

12 Q Does October 30th sound about right,
13 2014?

14 A It was around about that time.

15 Q Who introduced the proposal for the
16 zoning change at the City Council level?

17 A I believe it was Councilman Johnson.

18 Q Councilman Johnson married to Ms.
19 Chavous. Is that correct?

20 A I know they are not, but I don't know if
21 they were then.

22 Q They're married now?

23 A Yes.

24 Q I just want to make sure that we're
25 talking about the same person.

1 A Yes.

2 Q The zoning change that was sought in Mr.
3 Johnson's proposal before the City Council,
4 that was something that Universal wanted. Is
5 that correct?

6 A Yes.

7 Q It was favorable to Universal in other
8 words?

9 A Yes. It was part of the development
10 process.

11 Q Now, do you recall speaking with the
12 agents about this back in March of this year,
13 towards the end of March?

14 A When they came to my home?

15 Q Yes, sir.

16 A They came to my home and they asked me
17 some questions.

18 Q I'm just asking you if you remember,
19 sir. That's all.

20 A They did come to my home, yes, at seven
21 o'clock in the morning and asked me some
22 questions, yes.

23 Q Agent McManigal was one of them,
24 correct, the gentleman who was with me today?

25 A Yes.

1 Q Do you remember being asked at that time
2 what Ms. Chavous had done for Universal in
3 terms of the consulting contact?

4 A Yes, he did tell me that.

5 Q Do you recall what you told the agents
6 at the time?

7 A I told me, I believe, she had done some
8 consulting -- I'm going off of memory now. I
9 believe that I told them that she had done
10 some consulting work for us, but I didn't know
11 exactly why and I would have to check my
12 records because I'm older than I look. I
13 believe that was my response. I told them I
14 was sixty-five and they were surprised.

15 Q But the long and short of it was you
16 didn't have a specific recollection of what
17 Ms. Chavous had actually done for Universal
18 when they asked you that the first time?

19 A No, I did not.

20 Q Am I correct that Universal didn't issue
21 any 1099s for Ms. Chavous, IRS 1099s?

22 A We only issue 1099s if it's not an LLC
23 or corporation. If it would have been in her
24 name we would have issued a 1099. We issue
25 plenty of 1099s every year.

1 Q How much do you know about Chavous
2 Consulting, sir?

3 A Me?

4 Q Yes.

5 A I have very little knowledge about that.

6 Q Do you know if she has any employees?

7 A I wouldn't know.

8 Q Do you know if she has any other
9 clients?

10 A I wouldn't know.

11 Q Did you have any participation in the
12 decision to retain her as a consultant? Was
13 that discussed with you?

14 A No. I better say I don't recall.

15 Q Okay. Fair enough.

16 \$66,000, is that typical for
17 Universal as a nonprofit to pay a consultant
18 over the course of approximately twelve months
19 or so?

20 A We pay more.

21 Q You pay more?

22 A Yes.

23 Q Can you give me an example?

24 A We had the Bearfield Group Consultants
25 which was a two-person team. We paid them

1 like a hundred grand.

2 Q What did they do for you, not you
3 personally but for Universal?

4 A Education consulting; organization
5 development.

6 Q I just want to make sure I understand.
7 In terms of bringing Ms. Chavous on as a
8 consultant, there was no point in time in
9 which you participated in conversations about
10 what she would actually provide, what she had
11 done in the past, what her company -- what
12 their track record had been; that sort of
13 thing? Am I understanding you correctly?

14 A I'm going to say I don't recall.

15 Q Does that mean there could have been
16 conversations and you don't recall them or are
17 you saying definitively that we weren't
18 involved in any of the conversations?

19 A It might have come up in an executive
20 meeting. I don't recall at this time. We
21 have our executive session where it might have
22 been mentioned, but I don't recall.

23 Q Who would have participated in an
24 executive session? What would an executive
25 session look like at Universal?

1 A CEO; CFO,; COO.

2 Q Do you recall ever discussing Ms.

3 Chavous with Mr. Borrell?

4 A No, I don't.

5 Q Do you recall any specific conversations

6 with Mr. Islam, not the attorney but Mr.

7 Islam, the CEO of Universal regarding Ms.

8 Chavous?

9 A I don't recall.

10 Q Did Ms. Chavous have anything to do with

11 the Community Homes side of the house? Did

12 she do any work on the zoning issues or

13 property development or community development

14 or anything like that?

15 A She may have touched on some of those

16 matters.

17 Q In what way? How would she have

18 contributed in that area?

19 A I know we were trying to do something

20 called Promise Neighborhood. I'm not sure

21 exactly, but she may have touched on those

22 topics.

23 Q If you could take a look at Universal 10

24 for me, please, I'd just like you to

25 authenticate this for us. This is an e-mail

1 provided by Universal regarding -- to the
2 Government in response to the subpoena for
3 documents relating to Mr. Chavous. Is that
4 correct?

5 A Yes.

6 Q The Rahim mentioned in this, that's Mr.
7 Islam, correct, who you referred to as the
8 CEO?

9 A Yes.

10 Q And you were also contacted by Ms.
11 Chavous as the CFO?

12 A Yes.

13 Q And this is in respect to the account
14 that Ms. Chavous is signing in 2013. Is that
15 correct?

16 A That's correct.

17 Q And then we have a series of invoices
18 starting at Universal 11, 12, 13 and 14 that
19 correspond with the checks that Universal
20 provided to Ms. Chavous. Is that correct?

21 A Yes.

22 Q And these were provided by Universal in
23 response to our subpoena to your company,
24 sir. Is that right?

25 A Yes.

1 Q Are you familiar with Anthony Williams,
2 sir?

3 A Yes.

4 Q Who is Mr. Anthony Williams?

5 A You're referring to State Senator
6 Williams.

7 Q Yes, sir.

8 A He's State Senator Anthony Williams.

9 Q What area does he represent? Is he your
10 State Senator, for example?

11 A Yes.

12 Q Yours in terms of where you reside, or
13 yours in terms of where Universal is located,
14 or both?

15 A Both.

16 Q How long has Mr. Williams been your
17 State Senator?

18 A As long as he's been a State Senator.

19 Q Which is how long? Again, sir, just
20 humor me.

21 A I don't know, really.

22 Q Twenty years?

23 A I don't know.

24 Q A long time, though. Right?

25 A A long time.

1 Q Did Ms. Chavous work for Mr. Williams at
2 any point in time to your knowledge?

3 A I wouldn't know.

4 Q You wouldn't know?

5 A No.

6 Q If you could turn to Universal 15 for
7 us, please, this is an e-mail dated September
8 26, 2013 enclosing an invoice from Ms. Chavous
9 directly to you. Is that right?

10 A Yes.

11 Q Now, when Mr. Johnson introduced the
12 zoning change for the Royal Theater, that
13 subsequently passed. Is that correct?

14 A Yes.

15 Q As a result of that am I correct that
16 Universal was able to sell the property?

17 A That was part of it.

18 Q That was part of it?

19 A Yes.

20 Q Remind me again. How much did Universal
21 pay for the property?

22 A Around \$300,000.

23 Q Of grant money that had been provided by
24 the City. Correct?

25 A Yes.

1 Q How much did Universal sell the property
2 for?

3 A \$3.7 million.

4 Q \$3.7 million?

5 A Yes.

6 Q Where did the \$3.7 million come from?

7 A It's detailed in your Exhibit 1.

8 Q Walk us through it.

9 A \$2.7 million to Universal; real estate
10 taxes \$37 million; Dranoff Properties \$731,000
11 or so; water \$374. There's another charge by
12 the city for \$10,500 or so. I don't know what
13 this \$20,000 is for. I think they -- \$20,000
14 was held in escrow; gas; another maintenance
15 charge; \$110,000 to Ori Feibush and
16 miscellaneous projects. So, he tapped out at
17 five forty and some other expenses.

18 Q How much of the \$3.7 million did
19 Universal keep?

20 A \$2.7 million?

21 A \$2.7 million?

22 A That's correct.

23 Q At the time that the Royal Theater was
24 sold it was still undeveloped. Right?

25 A That's correct.

1 Q So, you sold it to somebody else for
2 \$3.7 million, you being Universal sold it for
3 \$3.7 million to somebody else to develop and
4 \$2.7 million back went to Universal?

5 A That's correct.

6 Q We talked about the charter schools that
7 had operated by -- actually, let me ask you
8 this.

9 Are you familiar with a
10 property at 1300 Bainbridge here in the city?

11 A Yes.

12 Q What's at 1300 Bainbridge?

13 A 1301 Bainbridge?

14 Q 13th and Bainbridge?

15 A It's about 1300 or 1301.

16 Q Does Universal have any properties at
17 that location?

18 A Yes.

19 Q What exactly does Universal have at that
20 location, the 1300-block of Bainbridge?

21 A There's a lot there that we have an
22 interest in with the Philadelphia Housing
23 Authority. We're forty-nine percent
24 partners. PHA has fifty-one percent. The
25 reason why we have an interest in that lot is

1 because when they began developing the Martin
2 Luther King Housing Project in 1997 we helped
3 develop just under three hundred units there
4 of affordable rental and for sale housing. We
5 did get a development fee. Part of the deal
6 was that we would develop that lot and we
7 would gain our fee from the development of
8 that lot. That's our interest in that lot.

9 Q Is the lot developed today as we sit
10 here?

11 A No, it's not.

12 Q Why is that?

13 A There are many reasons why you can't get
14 a project to development. There are a lot of
15 stumbling blocks between our partner and --

16 Q Who is your partner in the project?

17 A PHA.

18 Q What about Penrose Social Services or
19 UniTEN Partnership, are they involved?

20 A No, they are not involved.

21 Q Not at all?

22 A No.

23 Q Does UniTEN own any property, also?

24 A Well, UniTEN -- the MLK development is
25 divided up in to about three different tax

1 credit partnerships. So, that's where UniTEN
2 comes in. In those UniTEN partnerships we're
3 partners with Penrose.

4 Q Have there been any neighborhood
5 complaints about the Universal property on the
6 1300-block of Bainbridge?

7 A I don't think so. We maintain it. We
8 remove the snow. We maintain the lawns.

9 Q Universal does?

10 A Oh, yes. We keep the fencing repaired.

11 Q So, to your knowledge there have been no
12 neighborhood complaints about the state of the
13 property there?

14 A Not that I recall. If a complaint comes
15 in to our office, we make sure we take care of
16 it.

17 Q So, if we could just go back to Ms.
18 Chavous for a moment, is she a consultant for
19 Universal today?

20 A Not that I know of.

21 Q Do you know why her contract wasn't
22 renewed?

23 A No, I don't.

24 Q Did you need for her to evaporate in
25 2014 at some point?

1 A It may have. I'm not sure. I wouldn't
2 get that call.

3 Q Okay. How are the charter schools
4 funded that are managed by Universal? Where
5 do they get their funding from?

6 A It's state education funds passed
7 through the School District of Philadelphia.

8 Q So, Pennsylvania state government is
9 involved and city government is involved as
10 well?

11 A Correct.

12 Q Who files those applications on behalf
13 of Universal for funding?

14 A Universal Education Company.

15 Q Who is the person -- who is the live
16 person who fills out the paperwork?

17 A For each charter application?

18 Q Yes.

19 A It's a team.

20 Q So, a team based at Universal or a team
21 based at the charter school?

22 A When you go to apply for a school, the
23 school doesn't exist. That's the reason
24 they're all named Universal because we create
25 the schools. So, it's a team at Universal.

1 Q We're almost done. I want to ask you a
2 couple of questions about the executive
3 officers and how they're compensated at
4 Universal. Who is the highest paid officer at
5 Universal?

6 A The CEO.

7 Q That would be Mr. Islam. Is that right?

8 A Yes.

9 Q Is he a W-2 employee?

10 A Yes.

11 Q I'd like to show you what's been marked
12 as Universal 16. Please take a look at the
13 back side first. That's a spreadsheet derived
14 from your QuickBooks records that you prepared
15 for us showing Mr. Islam's compensation for
16 the years 2012 through 2016. Do those figures
17 look about right as the CFO?

18 A Yes.

19 Q So, his salary per annum in 2012 was
20 \$170,000; again in 2013 it was \$170,000; in
21 2014 it was \$170,000; and in 2015 it was
22 \$176,000. Is that right?

23 A Yes.

24 Q And then per your QuickBooks he got a
25 bonus in 2013 of \$35,000; a bonus again in

1 2014; and a bonus again in 2015. Is that
2 right?

3 A Yes.

4 Q Now, the reimbursements noted here
5 totaling \$178,000.27 over the four years
6 noted, that's almost -- that's over a full
7 year's salary of reimbursements over those
8 five years. Do you see that?

9 A Yes.

10 Q Could you flip to the first page,
11 please?

12 A Yes.

13 Q This is showing the individual
14 reimbursement from your QuickBooks records.
15 Do you see that?

16 A Yes.

17 Q I'm seeing travel expenses here in 2015
18 in the amount of -- on July 16, 2015 for
19 \$70,000, and the next one in October is
20 \$35,000?

21 A Yes.

22 Q January, \$25,000?

23 A Yes.

24 Q What were these travel expenses
25 associated with?

1 A Milwaukee. We began operating in
2 Milwaukee a charter school in December of
3 2012. We just closed it in April of this
4 year. Every other week Mr. Islam had been in
5 Milwaukee.

6 Q So, everywhere --

7 A So, some of them are advances, and then
8 at the end of the fiscal year we reconcile,
9 and then after that reconciliation, after
10 every June, if you look at 7/25/14 you'll see
11 that strange looking number. That's a
12 reconciliation of \$66,146.

13 Q What does that mean by reconciliation,
14 sir?

15 A You're reconciliating all of the
16 expenses and all of the expenditures. So, you
17 say these are all of the expenditures, these
18 are the actual advances we gave and this is
19 the difference. We're doing it at that time
20 because the auditors are coming in and we have
21 to have all of the records available for the
22 auditors. We have auditors every year that
23 audit our companies.

24 Q So, am I understanding you correctly
25 from 2012 through 2017 -- please correct me if

1 I'm wrong. I just want to make sure I'm
2 understanding -- where we see travel
3 reimbursement on here, that's all with respect
4 to Milwaukee?

5 A He goes to other places, but the
6 majority of it has been Milwaukee. That's
7 just for his expenses. It's very expensive
8 out there.

9 Q There are supporting documentation
10 within Universal's records for the travel
11 expenses claimed by Mr. Islam?

12 A Oh, absolutely.

13 Q For all of these expenses?

14 A Yes.

15 Q How would you describe the financial
16 health of Universal? Are you in the black?
17 Are you in the red?

18 A We are in the black.

19 Q Does Universal carry a lot of debt?

20 A For an operation of our size I would say
21 no.

22 Q Is Universal fairly liquid?

23 A We have a lot of physical assets.

24 Q Physical assets?

25 A Yes.

1 Q How many employees work for Universal?

2 A Throughout the whole spectrum of all of
3 the companies?

4 Q Well, let's exclude for a second the
5 individual charter schools which I understand
6 to be within the umbrella of Universal
7 Education.

8 A Right now about thirty.

9 Q With respect to travel for employees,
10 does Universal have credit cards, like travel
11 cards for employees?

12 A No.

13 Q Is Mr. Islam required to submit
14 documentation prior to being reimbursed? What
15 exactly does he submit to you?

16 A His travel records.

17 Q Credit card receipts and that type of
18 thing?

19 A Yes.

20 Q Hotel receipts?

21 A Yes.

22 MR. GIBSON: Sir, if you
23 wouldn't mind, I'm going to ask you to step
24 outside for a moment. I'm going to confer
25 with the Grand Jurors and we'll go from

1 there.

2 - - -

3 (Whereupon the witness was
4 excused at 12:21 p.m. and returned at 12:24
5 p.m.)

6 - - -

7 BY MR. GIBSON:

8 Q Sir, I just want to go back to -- you
9 had been asked by myself earlier regarding
10 some political contributions and you told us
11 that you made some contributions in the past
12 to Mr. Johnson. Is that correct?

13 A Yes.

14 Q Had you also made any contributions to
15 Mr. Williams, the state senate candidate?

16 A I'm not sure.

17 Q How about Universal, did the entity make
18 any political contributions to either Mr.
19 Johnson or Mr. Williams?

20 A Absolutely not.

21 Q Can you tell us why that is?

22 A Because we're a 501c3 organization and
23 we're not allowed to be involved in politics.

24 Q That's to individual officers like
25 yourself. There's not a prohibition on that

1 as it applies to individuals.

2 A That's correct.

3 Q I believe this was on the abstract that
4 we were looking at earlier, but who did
5 Universal end of selling the Royal Theater to?

6 A A developer out of Florida. I can't
7 really tell from here. They created this
8 entity Royal on South Street, LP.

9 Q Was it somebody you had dealt with
10 before?

11 A No. This was a person that Ori Feibush
12 had in development in the 1600-block of South
13 Street, I believe. So, Ori is the person that
14 brought this person to the table.

15 Q Okay. From your vantage point this was
16 an out-of-state entity that was purchasing the
17 property for development?

18 A Since the person that developed on the
19 1600-block of South Street -- I guess they
20 were familiar with Philadelphia, but
21 definitely they were from Florida, yes.

22 Q Your understanding was Mr. Feibush
23 brought them to the table?

24 A That's my understanding, yes. That's
25 why he was paid the \$111,000.

1 Q A commission or a finder's fee; that
2 sort of thing?

3 A Yes, whatever you want to call it. It
4 says commission on here.

5 Q And the name of the company, sir, that
6 came to purchase it?

7 A Say that again.

8 Q What was the name of the company that
9 came to purchase it?

10 A The name that they're using on here is
11 the Royal on South Street, LP, but I don't
12 remember.

13 Q The entity they created to make the
14 purchase?

15 A Yes.

16 Q It looks like Kira Thompson Resources in
17 Sarasota, Florida. Is that right?

18 A Yes.

19 Q I think that's all we have for you
20 today. The investigation is ongoing. So, it
21 may become necessary at some future point for
22 the Grand Jurors to put additional questions
23 to you. If it happens, we'll be in touch with
24 your counsel. I don't believe that from the
25 data that we were provided to date that we've

1 seen any supporting documentation for the
2 traveling expenses for Mr. Islam. If those
3 documents -- I would ask you to preserve those
4 documents. If Universal requires an
5 additional subpoena for those documents, we'll
6 accommodate that, but I would ask you to make
7 sure that those documents are preserved, and
8 I'm advising you that those will be the
9 subject of legal process. Okay?

10 A Sure.

11 MR. GIBSON: Thank you very
12 much.

13 May I excuse the witness?

14 THE FOREPERSON: Yes, please.

15 - - -

16 (Whereupon the witness was
17 excused at this time.)

18 - - -

19 (Whereupon the proceedings
20 concluded at 12:30 p.m.)

21 - - -

22

23

24

25

1 C E R T I F I C A T E

2 - - -

3 COMMONWEALTH OF PENNSYLVANIA :

4 : SS

5 COUNTY OF PHILADELPHIA :

6 I, Donna Bucci Stein,

7 Registered Professional Reporter and Notary

8 Public in and for the County of Philadelphia,

9 Commonwealth of Pennsylvania, do hereby

10 certify that the foregoing testimony was taken

11 before me at 900 Market Street, 6th Floor,

12 Philadelphia, Pennsylvania, before the Federal

13 Grand Jury; that the foregoing testimony was

14 taken by me in shorthand by myself and reduced

15 to typing under my direction and control, that

16 the foregoing pages contain a true and correct

17 transcription of all of the testimony of said

18 witness.

19

20

.....

21

DONNA BUCCI STEIN

Notary Public

22

My commission expires

March 7, 2021

23

24

25

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